



SHARON ENERGY LTD.

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The following is for immediate release in Canada, Thursday, January 5, 2006.

**SHARON ANNOUNCES CLOSING OF \$6 MILLION
PRIVATE PLACEMENT**

Sharon Energy Ltd. is pleased to report that it has closed an offering of 12,000,000 units at a price of \$0.50 per unit resulting in gross proceeds of \$6,000,000. The offering was conducted on a best effort basis through Research Capital Corporation as agent. The units were issued on a private placement basis and their resale is subject to restrictions, under applicable securities laws, until May 6, 2006.

Each unit consists of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one common share at a price of \$0.65 per common share until July 5, 2007. Sharon paid the agent a commission of 7% on a portion of the proceeds. In addition, the agent was granted an option to acquire up to 560,000 units, exercisable at a price of \$0.50 per unit until July 5, 2007.

After giving effect to the offering and prior to the exercise of any common share purchase warrants comprising the units, Sharon has 50,811,064 common shares outstanding.

The proceeds from this offering will be added to working capital and will be used to fund the Company's exploration and development program in Canada and in the United States.

This news release shall not constitute an offer to sell or the solicitation of any offer to buy the common shares in any jurisdiction. Such securities have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States, or to a U.S. person absent registration, or an applicable exemption therefrom.

Sharon Energy Ltd. is a junior oil and gas company currently conducting active natural gas exploration programs in Texas, Alberta and Saskatchewan. Sharon is currently focused on exploring for natural gas in Alberta and deep Wilcox gas in Texas.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Forward-looking statements – statements included in this press release that are not historical facts may be considered “forward-looking statements.” All estimates and statements that describe the Company’s objectives, goals or future plans are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties where actual results could differ materially from those currently anticipated.

**THE TSX VENTURE EXCHANGE DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR
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